



## **NSPS UPDATE**

### **Pay Under NSPS**

Since **pay** is an issue of importance to most employees, this month we will answer frequently asked questions about **pay under NSPS**.

#### **Pay**

##### **What types of pay increases will employees receive under NSPS?**

- There are several ways employees can receive a pay increase under NSPS:
- Rate range adjustment
- Local market supplement (LMS) adjustment
- Performance-based increase
- Promotion
- Reassignment or other placement action
- Accelerated Compensation for Developmental Positions (ACDP)

##### **What constitutes an employee's adjusted salary under NSPS?**

- Worldwide base rate, plus local market supplement, plus performance based pay adjustment, equals an employee's adjusted salary.
- One-time performance based bonuses and cash awards are in addition to the total pay.

##### **Will we still get Within-Grade-Increases (WGIs)?**

- Under NSPS and the pay banding system, there are no "steps" similar to the GS system. Instead, pay increases and/or performance bonuses are based on your performance.
- Upon conversion to NSPS, many employees will receive a salary increase equal to the amount they have earned towards their next within grade increase.
- After an organization has converted to NSPS, money that would have been used for WGIs will become part of the money available for performance payouts.

##### **What are the criteria for being eligible to receive the WGI buy-in upon conversion to NSPS?**

- Employees are eligible for the WGI buy-in if they are below the top step (Step 10) of their assigned grade; have an acceptable rating of record; and are not on pay retention.

##### **Are GM employees eligible for the WGI buy-in?**

- Yes. Employees under the GM pay plan are also entitled to the WGI buy-in provided they meet the criteria mentioned above.

##### **How are pay bands structured?**

- Under the NSPS classification system, every GS position within the Department will be assigned to a career group, pay schedule, and pay band.
- Many of the factors used to classify positions under NSPS are the same as those contained in the old system, such as complexity and level of work.
- There are four career groups: Standard Career Group; Scientific & Engineering Career Group; Investigative & Protective Services Career Group; and Medical Career Group.
- There are typically four pay schedules: Professional/Analytical; Technician/support; Supervisor/Manager; and Student.
- There are typically three pay bands for each pay schedule: Expert; Journey; and Entry/Development.

##### **What is a rate range adjustment and who gets one?**

- Each pay band has a rate range - minimum level and maximum level.

- Each rate range can increase, decrease, or remain the same depending on market drivers (specific labor market, occupational, or other demands).
- Rate ranges are reviewed at least once a year, but adjustments can be made at any time during the year.
- New rate ranges for all pay schedules are effective the first full pay period beginning in January of each year.
- In order to receive an increase to the minimum rate, employees must not be at the maximum of the pay band's new rate range and must have a rating above unacceptable (Level 1).

**Who has the authority to make decisions on rate range adjustments?**

- The Secretary of Defense has the authority to set and adjust rate ranges.

**What is a Local Market Supplement (LMS) and how does it work?**

- A LMS replaces locality pay and special salary rates under the GS system.
- Employees must have a rating of record of Level 2 (Fair) or higher.
- At least once a year, DoD reviews each LMS and makes appropriate adjustments.
- Factors reviewed in making LMS determinations:
  - Mission requirements
  - Labor-market conditions
  - Availability of funds
  - Allowances and differentials, such as those paid to employees overseas and in Alaska and Hawaii
  - Similar pay adjustments received by employees of other federal agencies
  - Other relevant factors.

**At the time of conversion to NSPS, will LMS be the same as the locality pay employees are currently receiving?**

- Until determined otherwise by the Secretary of Defense, the standard LMS will be the same as GS locality pay for each area at the time of conversion.

**How are special salary rates converted to NSPS?**

- In most cases, special salary rates will be included within the broader pay ranges of the NSPS pay bands (including the addition of the standard LMS).
- For employees paid from a special salary table with a maximum that exceeds the pay band maximum (and the applicable standard LMS), a targeted LMS will be established.
- The targeted LMS will ensure that such employees convert to NSPS without a loss of pay.

**Can employees receive a pay increase when reassigned to a different position?**

- Yes, under NSPS, employees have the opportunity to affect their pay based on performance and the opportunities they seek for promotions and reassignments.
- Employee-initiated reassignment: May receive up to a cumulative 5% in base salary in a 12-month period, no matter how many times the employee is voluntarily reassigned that year.
- Management-directed reassignment: May receive up to 5% in base salary for each reassignment. There is no limit to the number of times employee can receive a management-directed reassignment.
- Voluntarily move to a lower pay band: Base salary must be set within the assigned pay band. Management may increase base salary up to 5% (not to exceed the maximum of the rate range).

**How much pay increase can employees expect when promoted?**

- Under NSPS, a promotion is a temporary or permanent move to a position in a higher pay band.
- When employees receive a promotion, their pay increases by a minimum of 6% and, with management approval, may increase up to 20%.

- If the promotion is temporary, the employee's base salary reverts to that of the employee's permanent position upon termination of temporary promotion.

**What happens to the January General Pay Increase (GPI) for employees in Spirals 1.1, 1.2, and 1.3?**

- All eligible employees in Spiral 1.1, 1.2, and 1.3 will receive the equivalent of the 2007 GPI, as prescribed by the Office of Personnel Management.

**How will DoD insure the money is really paid out to the employees?**

- DoD Components must certify that pay pool funds are used only for the compensation of civilian employees.
- In fact, the law requires that the aggregate amount of money allocated for civilian compensation for organizations under NSPS cannot be less than the amount that would have been allocated under the existing GS system.

Well, that just about covers the issue of pay. For more details and to ready yourself for conversion when it's your turn to spiral in, we would strongly suggest that you consider taking the on-line course, NSPS 101. You can access the course by going to <http://cpol.army.mil/library/general/nsps>. This course was designed to initiate employees to NSPS. It covers such topics as conversion to NSPS and pay under NSPS. The estimated time to complete is one and one-half hours. You can have official time to take it. You need only ask your supervisor. You'll be glad you did.

